

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK  
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**NOTICE OF UNITED STATES POSTAL SERVICE CONCERNING ERRATA  
TO THE TESTIMONY OF WITNESS RACHEL [ERRATA]**  
(February 10, 2012)

The United States Postal Service hereby provides notice that it is filing errata to the testimony of witness Kevin Rachel (USPS-T-8).

These changes are summarized below.

Page	Line	Change
18	14	delete "3 to"

A revised version of page 18 is attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

KEVIN A. CALAMONERI  
Managing Counsel  
Corporate and Postal Business Law

MATTHEW J. CONNOLLY  
Attorney

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1137  
(202) 268-8582; Fax -5418  
matthew.j.connolly@usps.gov

1           The placement solution becomes more challenging at impact sites without  
2 multiple mail processing locations within the commuting area. In these  
3 instances, a greater reliance on accelerating normal attrition will be  
4 necessary in order to more timely capture staffing reduction savings.  
5 As impacted sites are finalized and as decisions regarding VER and incentives  
6 are made, I anticipate that the Postal Service will have greater clarity on how  
7 rapidly the full workforce savings can be achieved.

#### 8           **B.     Timing of Consolidations**

9           As stated above, consolidations resulting from the Network Rationalization  
10 Initiative will occur in stages over time. Greater attrition rates can be expected in  
11 locations where the consolidation is implemented later and in locations where the  
12 workforce profile is skewed towards employees closer to optional retirement  
13 eligibility. Typical experience over the last several years has yielded  
14 approximately a 5 percent “normal” attrition rate per year. This would be  
15 augmented by any VER offering or incentive, should the decision be made to use  
16 these tools.

#### 17           **C.     VER and Incentive Determinations**

18           While a decision has not been made regarding a VER and/or an incentive  
19 to induce retirements, the Postal Service has experience in targeting such  
20 initiatives to maximize impact. We can offer these opportunities narrowly, for  
21 instance, to impacted employees at impacted facilities. In this way, each  
22 employee who leaves directly adds to the savings.